



**State of Wisconsin  
Department of Workforce Development  
Division of Workforce Solutions**

**NOTICE OF PUBLIC HEARING**

**Grants Supporting Community Child Care Initiatives**

**Chapter DWD 59**

NOTICE IS HEREBY GIVEN that pursuant to Sections 49.137 (4m) and 227.11 (2), Stats., the Department of Workforce Development proposes to hold a public hearing to consider rules relating to grants supporting community child care initiatives.

**Hearing Information**

**August 16, 2006  
Wednesday  
1:30 p.m.**

**MADISON  
G.E.F. 1 Building, Room B103  
201 E. Washington Avenue**

Interested persons are invited to appear at the hearings and will be afforded the opportunity to make an oral presentation of their positions. Persons making oral presentations are requested to submit their facts, views, and suggested rewording in writing.

Visitors to the GEF 1 building are requested to enter through the left East Washington Avenue door and register with the customer service desk. The entrance is accessible via a ramp from the corner of Webster Street and East Washington Avenue. If you have special needs or circumstances regarding communication or accessibility at the hearing, please call (608) 267-9403 at least 10 days prior to the hearing date. Accommodations such as ASL interpreters, English translators, or materials in audiotape format will be made available on request to the fullest extent possible.

**Analysis Prepared by the Department of Workforce Development**

**Statutory authority:** Sections 49.137 (4m) and 227.11 (2), Stats.

**Statutes interpreted:** Section 49.137 (4m), Stats.

**Related statutes and rules:** 42 USC 9858 to 9858q and 45 CFR Part 98

**Explanation of agency authority.** Section 49.137 (4m), Stats., provides that the department shall award grants to local governments and tribal governing bodies for programs to improve the quality of child care. The department shall promulgate rules to administer the grant program,

including rules that specify the eligibility criteria and procedures for awarding grants. Section 49.137 (4m) refers to the program as the local pass-through grant program.

The local pass-through grant program is funded by the federal Child Care and Development Fund (CCDF), a federal block grant that makes federal child care funding available to states that contribute the required match at the state's federal medical assistance percentage rate. The local pass-through program began in 1999 to bring CCDF funds into the state that had been left unmatched in the state budget. Through the local pass-through program, the department awards grants supporting community child care initiatives to all local governments and tribes that supply the match required to bring the CCDF funds into the state.

**Summary of the proposed rules.** In recent years, funding for grants supporting community child care initiatives has been cut by 86%. This reduced funding necessitates a change in the procedure for awarding the grants. Under the current rule, former initial grantees may receive continuing grants in the 2 following funding cycles of up to 75% of the amount of their initial grants and then may also compete, along with any eligible jurisdiction in the state, for the remaining 25% of funding as initial grantees. The proposed rule will allow all grants in some years to be awarded as initial grants and all grants in other years to be awarded as continuing grants.

Offering only initial grants in some funding cycles and only continuing grants in other cycles will provide for equitable grant making over time while not requiring an overly complicated procedure for awarding the program's limited funding. Availability of initial grants gives new applicants the opportunity to apply for funding. Availability of continuing grants is important to local governments and tribes because they need to know that they will be able to receive funding for more than one year before they go through the effort and expense of starting a new program. Continuing grants support local governments and tribes that have shown an interest in receiving the grants, have the match on hand, and have the demand of grant-funded activities. There are currently 48 grantees representing approximately 86 local jurisdictions.

Offering both continuing grants and initial grants each year creates workload issues for both local governments and tribes and for the department. Local governments and tribes may receive funding through both the continuing and initial grant process and this causes duplicated work at the state and local level. Offering both initial and continuing grants each year creates workload issues for the department due to the effort in publicizing and promoting a statewide open RFP for initial grants, recalculating the fair share funding available for each county, and recalculating the proportions for each grantee within the fair share funding.

The current rule provides that a continuing grant may be offered for 2 funding cycles following the award of the initial grant. The proposed rule will allow a continuing grant for up to 3 funding cycles. This will allow more flexibility in managing the program. In addition, the current rule provides that continuing grants may be offered in an amount up to 75% of the amount of the initial grant. The proposed rule will allow a continuing grant in an amount up to 200% of the initial grant. The increase to 200% is proposed to avoid a mandatory RFP for initial grants if there is only a small amount of funding left to award. If the pass-through program received funding at a significantly higher level, the department could offer an RFP for initial grants to allow local governments and tribes to apply when they may not have considered the lower funding levels to be worthwhile.

The proposed rule will also:

- Amend the authority of the department to round the level of required match from the nearest higher full percentage point to the nearest higher percentage that can be expressed in whole dollars relative to the amount of the grant.
- Repeal descriptions of single, cooperative, and collaborative applications. This level of detail is more appropriate for the RFP.
- Repeal the subsection that provides for different percentages of the grant that may be spent on administrative costs based on the different types of applications and creates a provision that allows the department to limit the amount of funding that may be spent on administrative costs to a level no higher than 15%.
- Make minor language changes to clarify and simplify the rule.

**Summary of factual data and analytical methodologies.** The proposed rule is intended to simplify the procedures for applying for grants and awarding of grants due to the significantly reduced funding for the program.

**Comparison with federal law.** The statewide limit on administrative costs for a CCDF grant is 5%. The other issues in the proposed rules are not addressed in federal law.

**Comparison with rules in adjacent states.** None of the adjacent states have a comparable program.

**Effect on small businesses.** The proposed rules do not affect small businesses. The Department's Small Business Regulatory Coordinator is Jennifer Jirschele, (608) 266-1023, [jennifer.jirschele@dwd.state.wi.us](mailto:jennifer.jirschele@dwd.state.wi.us).

**Agency contact person and place where comments are to be submitted.** The proposed rules and the fiscal estimate are available at the web site <http://adminrules.wisconsin.gov>. This site allows you to view documents associated with this rule's promulgation, register to receive email notification whenever the Department posts new information about this rulemaking order, and submit comments and view comments by others during the public comment period. The proposed rules are also available at <http://www.dwd.state.wi.us/dwd/hearings.htm>.

You may receive a paper copy of the proposed rules or fiscal estimate by contacting:

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**Written comments.** Written comments on the proposed rules received at the above address, email, or through the <http://adminrules.wisconsin.gov> web site no later than August 17, 2006, will be given the same consideration as testimony presented at the hearing.

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Secretary or designee

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Date